

BUSINESS WEEK
20 September 1982

Trade yes, secrets no

Countries that have tended to bridle under President Reagan's forceful efforts to make sure that significant technology is excluded from trade with the Soviet Union ought to ponder the latest developments in the application of advanced electronics to military weapons (page 74). The dramatic success of the Israelis in using U. S. electronic weapons to destroy Syrian surface-to-air missiles is only one example of how crucial such weapons have become. They will be even more critical as new generations of increasingly sophisticated equipment are developed. It is important to note that an unmatched electronics technology infrastructure gives the U. S. what may very well be an unbeatable superiority in inventing and developing electronic weapons. At a time when the Soviets are expanding their industrial espionage network to try to steal such advanced technology, simply letting them acquire it without effort in the course of normal trade would be absurd. Although Western Europe is balking at President Reagan's attempt to deny gas pipeline equipment to the Soviets, it is heartening that most U. S. allies do support his efforts to cut off electronics

technology.

Spending for electronic weapons is the fastest-growing item in the defense budget. These devices are already altering Pentagon thinking about future defense needs. More cost-effective, they can appreciably enhance and prolong the useful life of the vastly more expensive aircraft and ships that serve as platforms for missiles and defensive equipment. Electronic weapons can give military planners new flexibility and perhaps produce some reductions in the military budget over the next decade. The advanced technology is raising questions about U. S. weapons sales policy with fears that if these devices are included in future sales, they could wind up in the hands of an adversary. Most important, by means of these weapons, the U. S. will achieve considerable tactical superiority over the Soviets. In this sense, electronic warfare will be politically destabilizing, and the Russians might react aggressively. But the threat of a new competition in electronic weaponry—one in which the Russians would probably lag behind—could eventually bring them to the bargaining table to negotiate arms control. Either way, the challenge to U. S. political and military abilities could not be more clearly drawn.